GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:1316
ANSWERED ON:15.07.2004
SELF HELP GROUPS
Kurup Adv. Suresh

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(

(a) whether the Government is aware of the fact that 70% of the poorer section in rural areas do not have access to bank credit;

(b) if so, a majority of them are being exploited by money lenders ;

(c) if so, whether the Government has any plan to evolve self-help groups to propogate the farm credit facilities ; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRIMATI SURYAKANTA PATIL)

(a) & (b) : There have been some reports from certain State Governments about problems in smooth delivery of bank credit to the Self- Help-Groups (SHGs) formed under the Swarnjayanti Gram Swarozgar Yojana (SGSY). In this connection, Reserve Bank of India has issued instructions to all banks to avoid delay in the disbursal of loans under the scheme. The progress is also being monitored regularly by the State Governments and the Chief Executive Officers of commercial banks. In order to mitigate the heavy burden of loans from non-institutional lenders, Reserve Bank of India (RBI) have also issued instructions to all banks to advance loans to rural poor, against appropriate collateral or group security subject to guidelines approved by their Board of Directors.

(c) & (d) Self-Help-Groups under SGSY are formed basically for undertaking income generating activities. These groups could also, on voluntary basis, undertake propagation of information useful to rural poor including those on farm credit facilities.